



NEWSLETTER



October - November 2011

A Message from Secretary Vilsack

Warren-Sussex-Morris County FSA Office

101 Bilby Road, BLDG 1H
Hackettstown, NJ 07840

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Hours

Monday - Friday
8:00 a.m. - 4:30 p.m.

Website

www.fsa.usda.gov/nj

County Office Staff

Lindsay Caragher, CED
Virginia Brophy, SFLO
John Snearowski, PT
Diandra Brunstetter, PT
Debbie Crisman, PT
Megan Everswick, FLOT

County Committee

Scott Ashley
Robert DeBlock
Carl Sigler
James Smith
Holly Sytsema

The County Committee meets the last Monday of the month at 9:30AM.

As meeting dates and times are
subject to change, please call
ahead if you plan on attending.

IMPORTANT DATES:

- Oct 3 – CRP Annual Rental
Payments go out
- Oct 6 - DCP 2011 Final
Payments go out
- Oct 10 - Office Closed
Columbus Day
- Nov 20 - NAP Closing Date:
apples, apricots, blueberries,
canberries, cherries,
cranberries, grapes, honey,
nectarines, onions &
scallions, peaches, pears,
plums

Some recent news stories have focused on suspicions and rumors about the Obama administration's work on agriculture. The truth is that the President, EPA Administrator Jackson and I are listening to farmers, ranchers and producers so we can be the best possible partner for successful operations. These efforts are helping farmers enjoy some of the best incomes they have seen in decades.

Sadly, rumors and misconceptions have become the norm, not the exception, especially when it comes to regulations and how they might affect our nation's producers.

First, it was that the Environmental Protection Agency (EPA) was considering treating spilled milk like an oil spill. Not true. And in terms of water regulations, EPA has made it clear that recent rules do not seek to regulate land that occasionally ponds during heavy rains.

Regulation of farm dust is another frequently repeated myth, based on a congressionally-mandated review that the EPA has conducted every 5 years for decades. We all know you can't farm without dust. And EPA has no plans to propose stricter standards.

And the Department of Transportation announced just last week that it has no intention of proposing any new regulations or rules on the transport of agricultural products, farm machinery, or farm supplies to or from a farm.

Perhaps more importantly, the Obama Administration has worked to be the most accessible and collaborative in history. The President and I are listening to farmers, ranchers and other producers and actively collaborating across the federal government to help everyone understand the facts of American agriculture.

I maintain a regular dialogue with Lisa Jackson at EPA and we even visited farms in Iowa together. The collaborative partnership we enjoy is reflected in our policies: pursuing common-sense standards that will give farmers a seat at the table and let them make the decisions they feel are best for their own operations.

One result of this sort of collaboration is that in 2009 and 2010, the federal government issued fewer new rules than it did in 2007 and 2008.

As you hear from producers about their concerns, I know you will continue to be helpful in providing them with the information they need to help their operations succeed, and not to get caught up in rumor or exaggeration. And you should urge folks with additional questions to contact the EPA directly, where they should be able to get further help in separating fact from fiction.

EPA and USDA understand that if we are going to solve the major environmental challenges of our time – combating climate change, reducing soil erosion, and ensuring an ample supply of clean water and healthy food for our families – farmers must help lead the way.

COC Elections

Reminder: Be watching your mailbox for your official county office committee election ballot starting early next month. Ballots will be mailed to all eligible voters in Local Administrative Areas (LAA) #1 and #4 starting on **November 4, 2011**. If, for some reason, you don't receive a ballot, feel free to notify the county FSA office. Completed and signed ballots will be due back in the county office by the close of business on **December 5, 2011**. Ballots will be counted on December 8, 2011 at 9:30 AM at the Hackettstown Farm Service Agency Office. The following individuals have met the eligibility requirements to run for the County Committee this election period. One individual has been nominated in each LAA up for election.

Holly Sytsema has been nominated in Local Administrative Area #1, Sussex County to serve as COC member for a three-year term to begin January 1, 2012. Mrs. Sytsema currently operates a dairy and produces hay, corn, wheat, soybeans and straw. Mrs. Sytsema is an active member on the current COC, Sussex County Holstein Association, Sussex County Board of Ag, Sussex County Historical Ag Society, Sussex County Milk Producers and NJ Holstein Association. Mrs. Sytsema is willing to serve on the County Committee if elected.

Carl Sigler has been nominated in Local Administrative Area #4, Warren County to serve as COC member for a three-year term to begin January 1, 2012. Mr. Sigler operated a dairy and raised his own feed for thirty years and now currently produces corn and soybeans. Mr. Sigler is an active member on the current COC, Warren County Board of Ag, Warren Cty Fair, Livestock Cooperative Auction, and NJ Grange. Mr. Sigler is willing to serve on the County Committee if elected.

Emergency Farm Loans

FSA provides emergency loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters, or quarantine. Emergency loan funds may be used to:

- Restore or replace essential property;
- Pay all or part of production costs associated with the disaster year;
- Pay essential family living expenses;
- Reorganize the farming operation and;
- Refinance certain debts.

For further information and applications please visit or contact the office.

Annual Notice to Producers

Payments and benefits under certain programs are subject to some or all of:

- Payment limitation by direct attribution
- Payment limitation amounts for the applicable programs
- Actively engaged in farming
- Cash-rent tenant rule
- Foreign person rule
- Average AGI limitations

Program benefits subject to limitation will not be provided until **all** required forms for the specific situation are provided and necessary payment eligibility and payment limitation determinations are made. Payment eligibility and payment limitation determinations may be initiated by COC or requested by the producer. After 2009, a farm operating plan is **not** required to be filed annually, if the farming operation continues to be conducted as reflected on the operating plan and supporting documents are on file.

If any changes occur that could affect an actively engaged in farming, cash-rent tenant, foreign person, or average AGI determination, producers **must timely notify** the office by filing revised farm operating plans and/or supporting documentation, as applicable. Failure to timely notify the office may adversely affect payment eligibility.

There are statutory provisions that require entities, earning program benefits that are subject to limitation, to provide the names, addresses, and TIN's of the entities' members to COC. All applicable payment eligibility and payment limitation forms submitted by producers are subject to spot check through an end-of-year review.

A determination of **not** actively engaged results in the producer being ineligible for any payment or benefit requiring a determination of actively engaged in farming. Noncompliance with AGI provisions, either by exceeding the applicable limitations or by failure to submit a certification statement, will result in the determination of ineligibility for **all** program benefits subject to AGI provisions; program benefits shall be reduced in an amount that is commensurate with the direct and indirect interest held by an ineligible person or legal entity in any legal entity, general partnership, or joint operation that receives benefits subject to the average AGI limitations.



2011 DCP Final Payments

DCP payments for 2011 participants will be issued **after October 1, 2011**. These payments will be deposited directly into participating producers' personal bank accounts. If there are any unearned payments, Commodity Credit Corporation will automatically subtract those amounts from the October payments.

2012 DCP Sign-Up

Enrollment for the 2012 DCP will begin **January 23, 2012** and continue through June 1, 2012. The change to the enrollment beginning date will allow time for 2010 SURE sign-up. Advance payments are not authorized for 2012 DCP. Eligible producers receive direct payments at statutory rates regardless of market prices.



2011 CRP Annual Payments

CRP annual rental payments for 2011 participants will be issued **after October 1, 2011**. These payments will be deposited directly into participating producers' personal bank accounts. If there are any unearned payments, Commodity Credit Corporation will automatically subtract those amounts from the October payments.

Farm Loan Program Limits

The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. If you are having trouble getting the credit you need for your farm, or regularly borrow from FSA, direct and guaranteed loans are currently available.

Ask your lender about an FSA loan guarantee if you've had a setback and your lender is reluctant to renew your loan.

Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans have a maximum limit of \$1,214,000 starting on Oct. 1, 2011. This makes the maximum combination of direct and guaranteed loan indebtedness \$1,514,000.

The one-time loan origination fee charged on FSA guaranteed farm ownership and operating loans has increased from 1 percent to 1.5 percent of the guaranteed portion of the loan, for loans obligated after Oct. 1, 2011.

For more information, please contact Virginia Brophy at (908) 852-2576, extension 110.

Marketing Assistance Loans

A Marketing Assistance Loan (MAL) is available for producers who share in the risk of producing the crop. To be eligible, a producer must maintain continual beneficial interest in the crop from harvest through the earlier of the date the loan is repaid or CCC takes title to the commodity. Beneficial interest means retaining the ability to make decisions about the commodity; responsibility for loss or damage to the commodity; and title to the commodity. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan — even if the producer regains beneficial interest.

Commodity loan eligibility also requires compliance with conservation and wetland protection requirements; beneficial interest requirements, acreage reporting and ensuring that the commodity meets Commodity Credit Corporation minimum grade and quality standards. For commodities to be eligible they must have been produced by an eligible producer, be in existence and in a storable condition and be merchantable for food, feed or other uses as determined by CCC. The quality of the commodity in farm storage must be maintained throughout the term of the loan. Producers do not have to participate in the Direct and Counter-Cyclical and/or ACRE Programs to be eligible for a MAL.

Violating provisions of a marketing assistance loan may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored loans.

The most common violations are removing or disposing of a commodity being used as loan collateral without prior authorization and providing an incorrect quantity certification.

FSA Signature Policy

Husbands and wives may sign documents on behalf of each other for FSA and commodity Credit Corporation programs in which either has an interest. This option is automatically available unless a written request for exclusion is made to the office by either spouse. There are exceptions to the rule, where spouses may not sign on behalf of each other for partnerships, joint ventures, corporations or other similar entities. Individual signatures are also required on certain Farm Loan Program and Farm Storage Facility Loan documents.

Warren-Sussex-Morris County FSA
 101 Bilby Road, BLDG 1-H
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PRESORTED STANDARD
 U.S. POSTAGE PAID
 Farm Service Agency
 PERMIT G-96

Selected Interest Rates for October 2011	
Farm Operating - Direct	1.75 %
Farm Ownership & Conservation Loans	4.25 %
Limited Resource - Farm Operating	5.00 %
Limited Resource - Farm Ownership	5.00 %
Farm Ownership - Direct Down Payment Beginning Farmer or Rancher	1.50 %
Emergency	3.75 %
Marketing Assistance Loans	1.125%
Farm Storage Facility	
7-year loan term	1.50 %
10-year loan term	2.125 %
12-year loan term	2.375 %

Farm Reconstitutions

In program terminology, farms are *constituted* to group all tracts having the same owner and the same operator under one farm serial number. When changes in ownership or operation take place, a farm *reconstitution* is necessary. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation. The following are the different methods used:

Estate Method — the division of bases, allotments & quotas for a parent farm among heirs in settling an estate;

Designation of Landowner Method — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. There are additional requirements;

DCP Cropland Method — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;

Default Method — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

Requests for reconstitutions must be filed by **June 1, 2012**. For more details, please contact the office.

The U.S. Dept of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotope, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.